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Gambia

THIRD DEVELOPMENT PROGRAMME 1971/72 TO 1973/74

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CHAPTER I: ECONOMIC REVIEW

POPULATION

1. The demographic situation will be considerably clarified after the proposed Population Census that is being planned for 1973. Meanwhile population growth is estimated at 2.1% per annum for the country as a whole. This is, however, undoubtedly rising given the age structure of the population and improved medical services which can be expected to further reduce the infant mortality rate.

2. The 1963 Census indicated a total population of 315,500. A report by Dr. Caldwell of the Population Council estimates that the present crude death rate is about 47 per thousand and the crude death rate 27 per thousand. In mid-1970 the total population was estimated to be 367,000 of which just over 50,000 lived in the Bathurst/Kombo St. Mary area. Given the present urban drift the population of the Bathurst Kombo St. Mary area is growing at about 3.4% per annum implying a growth rate of 1.9% for the rest of the country.

3. On the basis of constant fertility the population of The Gambia, it is estimated, will be over 465,000 by the end of the decade, and well over double the present figure by the end of the century. Although the growth rate compares favourably with most other developing countries the population density of The Gambia is one of the highest in Africa and present trends have serious implications for an essentially rural society.

4. Intensification of agricultural production methods is essential and the Agricultural Development Programme is geared toward promoting this. The traditional shifting system of agriculture will have to give way to modern methods if the land pressure is not to threaten soil fertility by an ever declining follow period. The other effect of present demographic trends is the increasing burden on social services with 40% of the population under the age of 15. While population growth and the growth in Gross National Product are not independent, the efforts to raise per capita incomes will be less successful in the present circumstances. In view of the above Government is presently formulating its policy with regard to birth control for implementation in the immediate future.

EMPLOYMENT

5. The rural basis of the economy is reflected in Table 1 which is based on data contained in an ILO report (Manpower Assessment and Planning) carried out in 1969. It is evident that not only is agriculture presently the main source of employment and income but that it will remain so for some considerable time to come.

TABLE 1: TOTAL ESTIMATED EMPLOYMENT (1969)

Wage and Salaried Employees	16,000
Self Employed	71,900
(*i*) Farm Families	61,100
(*ii*) Merchants	9,300
(*iii*) Oysterers and Fishermen	1,500
Total	87,900

6. The present urban drift is creating a serious problem in that the expansion in employment opportunities has not kept pace with the increasing number of job-seekers. A solution to this problem is of high priority and must be found both in terms of reducing the present drift while at the same time further stimulating employment opportunities.

7. A major factor has been the declining level of gross fixed capital formation after 1967/68 compared with the steady growth in investment during the previous five years. After 1967/68 there was a decline in gross fixed capital formation by both the public and private sectors of the economy. The decline was particularly marked with respect to investment in buildings and other civil works which directly stimulate employment in the construction industry. The last year, however, has seen a considerable improvement and preliminary estimates indicate a substantial rise in investment by Government and the private sector. As a result of this and the operation of new enterprises in the manufacturing and tourism sectors there is now evidence of some further expansion in wage employment as well as greater activity in horticulture and handicraft industries. The level of investment is expected to rise considerably during the Third Development Programme.

8. While there is presently still a surplus of unskilled labour seeking jobs the country suffers from a lack of high level manpower. Unfortunately it is difficult to identify selectively and quantify those areas where scarcity will be most severe in the future. Hence a manpower study is required in the near future to give proper direction to vocational training and the education system in general.

EXPORTS.

9. The main export items, still representing about 95% of the total, are shelled groundnuts and groundnut oil. The quantity of groundnuts purchased by The Gambia Produce Marketing Board has remained fairly stable over the last six seasons since independence. As Table 2 indicates total purchases have, with one exception, been between 110,000 and 120,000 tons with an average figure of 117,000 tons. This may be compared with 99,100 tons in 1964/65 and 71,700 tons as the average for the six seasons prior to that year.

10. In 1962 there were no recorded groundnut oil exports whereas from the 1967/68 crop the mills purchased nearly 76,000 tons of undecorticated nut resulting in the export of 24,700 tons of oil worth £2.3 million. In 1969/70 15,700 tons of oil was exported valued at £2.3 million. The percentage of the crop taken by the mills has fluctuated between 40% – 60% over the last six years and consequently effects the total value of exports in a particular year. The average figure for this period has been 50%, which is in line with current policy, but the prevailing nut-oil differential determines the outcome in any one year subject to a minimum nut export.

TABLE 2: DISPOSAL OF GROUNDNUT CROP

(1,000 *tons unshelled nut*)

Year		*Total Crop*	*Purchases by Mills*[2]	*Nuts for Export*
1958/59	1963/64 (Average)	72	8	64
1964/65		99	43	56
1965/66		120	65	55
1966/67		126	76	50
1967/68		118	58	60
1968/69		120	52	68
1969/70		111	48	63
1970/71		113	65	48

1. Approximately 30% weight loss after decortication.

2. Oil production started from 1962/63 crop.

11. An important factor causing instability in export earnings is the world price of groundnuts and oil over which The Gambia has no influence. The average f.o.b. price over the last six years has been £70 per ton (decorticated nut) but this includes a 1967/68 price of £54 per ton and an estimate for the current year (1970/71) of £95 per ton (see Table 2). There has been a discernable upward trend in the price of groundnuts for over a decade but the present situation is particularly abnormal with peak (c.i.f) prices for groundnuts reaching £132 per ton (oil £228 per ton) in January 1971.

12. After the poor year of 1967/68 world prices picked up considerably in 1968/69. With little sunflower oil coming from Eastern Europe, the disappearance of Argentine groundnut oil, and little selling pressure of soyabean oil from America, the price of these oils moved up again towards the end of 1969 leaving groundnut oil in a strong position and raising the groundnut price. After it was realised that the 1969/70 Nigerian groundnut crop was smaller than anticipated, groundnut and oil prices rose further in early 1970. The Gambia achieved an average f.o.b. price of £76 per ton of decorticated nut.

13. After a mid-year easing of prices in anticipation of large Nigerian and Senegalese groundnut crops the oils and fats market changed considerably towards the end of 1970 as it became apparent that the expected Senegalese crop would not be realised and that the Nigerian crop might not reach 300,000 tons. These factors, combined with little sunflower oil from Eastern Europe, have produced record prices for groundnut and oil, and a reduction in their use.

14. It is evident that price forecasting in the oils and fats market is extremely hazardous but present indications are that some degree of normality will return to the market in 1971/72, but that groundnut prices should remain reasonably firm allowing an average f.o.b. price of at least £70 per ton next season. Both Nigeria and Senegal can expect larger crops in 1971/72 although it is unlikely that the former will recover completely. With the increased use of other soft oils in recent months there should not be a large stock carry-over and the increase in American acreage of soyabean is not expected to be significant. On the other hand larger quantities of palm oil and rapeseed are expected to be available next year and some sunflower oil will be available from Eastern Europe. A reasonable medium term planning f.o.b. price during the next three years is perhaps £70 per ton.

15. The fluctuations in export earnings have, in the last few years, been the result mainly of fluctuations in price but also to some extent the result of changes in the volume of the crop and the percentage milled. This is shown clearly in Table 3 below. The producer price has been such as to partially insulate the domestic economy from such fluctuations although the policy is one of price and not income stabilisation. At the end of the 1969/70 season The Gambia Produce Marketing Board's reserves stood at £2.5 million and are expected to reach £3.8 million at the end of the 1970/71 trading year.

TABLE 3: ELEMENTS IN EXPORT EARNINGS FLUCTUATIONS

Year	*Value of Exports £m*	*Total crop unshelled '000 tons*	*Percentage of crop Milled*	*f.o.b. price £/ton shelled*	*Producer price £/ton unshelled*
1965/66	5.9	120	54	64	28
1966/67	6.3	126	60	61	27
1967/68	5.4	118	48	54	27
1968/69	7.4	120	43	74	28
1969/70	6.6	111	44	76	30
1970/71 (Est)	8.0	113	58	95	34

16. In view of the quantity of groundnuts purchased during the last two years and the possibility of a smaller unrecorded re-export element in future it may be expected that over the next three years purchases will be a little over 100,000 tons of unshelled nuts per annum. In the longer term yields are expected to rise considerably and the value of the crop will be increased by the production of nuts for the confectionery trade and improved groundnut handling.

PUBLIC FINANCE

17. During the last six years recurrent expenditure has tended to rise with a lag behind increases in revenue with the result that in 1969/70 there was an actual deficit on the recurrent budget of £0.1 million. In both 1965/66 and 1966/67 growing imports provided large increases in revenue and consequent recurrent surpluses. Recurrent expenditure, however, rose again the following year to produce a small deficit as imports rose only marginally in 1967/68. This cycle was repeated in the following two years: a large rise in imports and revenue during 1968/69 resulting in an (adjusted) surplus of £0.7 million followed by a considerable increase in expenditure in 1969/70 at a time when the absolute level of imports fell considerably. The above analysis is based on the use of revenue and expenditure figures adjusted for certain items as indicated in the footnote to Table 4 below.

TABLE 4: ADJUSTED RECURRENT AND DEVELOPMENT BUDGET.*
(£'m.)

Year	*Adjusted Recurrent Surplus (+)/ Deficit(—)*	*Adjusted Revenue*	*Adjusted Recurrent Expenditure*	*Development Expenditure*	*Adjusted overall Surplus (+)/ Deficit (—)*
1965/66	+0.4	2.8	2.5	0.9	—0.5
1966/67	+0.7	3.4	2.7	0.8	—0.1
1967/68	0.0	3.1	3.2	1.0	—1.0
1968/69	+0.7	4.0	3.2	0.9	—0.2
1969/70	—0.1	3.5	3.6	0.6	—0.7
1970/71 (Rev Est)	+0.5	4.0	3.6	0.8	—0.5
Average	+0.4			0.8	—0.5

*Revenue and expenditure have been adjusted for receipt and repayment of U.K. Grants, transfers to the development fund, and certain other transactions.

18. The lagged increase in expenditure is mainly the result of expanding services offered by Government and the recurrent implications of a continuing public investment programme. While the recurrent budget has achieved an average (adjusted) surplus since Independence of £0.4 million per annum the expected level of recurrent expenditure in 1971/72 is geared to a level of import duty which is only achieved as a result of increases in stocks and a particularly brisk trading season. For this reason, and because the new Development Programme will add further to recurrent expenditure particularly in the field of Agriculture, it is not expected that the recurrent budget will achieve an average surplus over the next three years.

19. Indeed the indications are that without the strictest control over expenditure, to which Government is already committed, and a fundamental re-organisation of the structure of the budget as well as new revenue measures there might be a substantial deficit. Thus reserves will be used to finance temporary deficits while remedial measures are implemented which are expected to achieve Government's aim of a regular recurrent budget surplus to finance development projects and meet a growing public debt repayment schedule.

20. It will be noted that development expenditure has averaged £0.8 million per annum over recent years, but with a slackening since 1967/68 which has been halted according to the revised estimates for 1970/71. As a result there has been an over-all adjusted budget deficit averaging £0.5 million per annum since Independence. Since most of the development expenditure has been financed by U.K. Grant or, as in more recent years, U.K. loan and the adjusted recurrent budget has been in surplus on average, there has been no need to run down reserves since Independence to finance Government activities. On the other hand by 30th June 1970 the external public debt stood at £2.06 million with a debt service rate of 1% of exports and domestic public debt at £0.2 million.

21. If expectations concerning the recurrent budget are realised and the level of development expenditure rises the over-all budget deficit will be much larger, financed largely by external aid capital but partly by reserves. This will certainly stimulate the level of activity and employment in the country but it will also have monetary implications which will require careful review.

22. It will be appreciated that a country depending essentially upon one primary product which is subject to price and supply fluctuations must maintain an adequate level of international reserves. As a result of a most unusual year just finishing, by 30th April 1971 reserves had reached £5.8 million, or the equivalent of 8 months imports, compared with only £2.6 million at the end of 1967/68. The following section highlights the fluctuations that can take place in the reserves.

23. There is no doubt however, that despite possible fluctuations in the oils and fats market Government is able to finance temporary recurrent budget deficits from reserves but that such a situation cannot be allowed to continue. A modest utilisation of reserves for development projects will also be necessary, but consistent with sound monetary management.

BALANCE OF PAYMENTS

24. Estimates of the Current Account going back to 1963 show a persistent, and normally large, deficit, although they do not reflect the unrecorded import and re-export of goods which takes place. Tourism is not yet a significant invisible trade item. On the other hand capital transfers (and a positive errors and omissions item) since Independence have at least off-set the Current Account deficit except in 1967/68 when an over-all Balance of Payments deficit of £1.3m was incurred. In 1969/70 there was an over-all surplus and increase in reserves amounting to £0.8 million as a result of an average f.o.b. price for groundnut of £76 per ton. This year there is expected to be a surplus of £1.4 million after an average f.o.b. price of £95 per ton.

25. The above situation is essentially the result of financing a Development Programme by the use of external borrowing while at the same time pursuing a stable monetary policy. If the f.o.b. price of groundnuts falls heavily and the Gambia Produce Marketing Board follows a producer price stabilisation policy then an over-all deficit may occur as in 1967/68. This in turn should be compensated for in years of high f.o.b. groundnut prices when The Gambia Produce Marketing Board makes a substantial operating surplus which is reflected in the reserves as is the case for 1970/71. The use of Government's reserves to finance development projects or a Recurrent Budget deficit will tend to cause a Balance of Payments deficit and the loss of foreign exchange reserves. The level of reserves in general is affected by the export market, domestic production, and monetary and fiscal policies. The present policies, which are consistent with maintaining an adequate level of reserves, facilitate a liberal trade and payments system.

FOREWORD.

This may be regarded as The Gambia's Third Development Programme since Independence. It will cover a shorter time period than the previous one since it is felt that at the present time a three year forward planning period is appropriate. It is also our intention to review the Programme annually and maintain a regular forward planning exercise to focus attention and effort upon the development process.

My Government feels strongly that it should do all it can to raise the living standards of every section of the community and ensure an equitable and balanced development throughout the country. It is sincerely hoped that the modest progress already made in the few years since Independence will be consolidated and that the Third Development Programme will make a substantial contribution towards raising the level of economic and social welfare in the country.

D. K. JAWARA,
PRESIDENT.

JUNE, 1971.

MONEY AND BANKING

26. The main feature of the banking system is the seasonal crop refinancing which has been based since 1965/66 on Gambia Currency Board lending to the banking system. The ceiling placed on crop refinancing by the Gambia Currency Board rose substantially from only £0.2 million in 1965/66 to £2.0 million in 1969/70. During 1970/71 the peak in crop refinancing by the Gambia Currency Board was in January 1971 with borrowings by the banking system (including GCCBMU) of £2.3 million. This was all repaid by the end of April 1971. Non-seasonal credit will be available from the Central Bank within the limits of safe monetary and credit expansion.

27. The money supply has increased over recent years with the need to provide an increasing volume of credit to finance the larger groundnut crop, and at the end of April 1971 was £2.56 million. However this compares with £2.66 million at the same time last year and £2.63 million at the end of April 1969.

NATIONAL ACCOUNTS AND ECONOMIC ACTIVITY

28. Firstly, there can be no doubt that the level of economic activity within the country has for the last few years been considerably higher than anything experienced in the past. The quantity of groundnuts purchased has reached a higher plateau despite a slight fall during the last two years and a buoyant producer price has ensured that producer receipts have been high as well. The latter have been remarkably steady over the last six years, being between £3.2 — £3.4 million in each year except 1970/71 when a producer price of £3 per ton has resulted in producer receipts of £3.8 million, thus raising the cash income and purchasing power of farmers considerably.

29. Government expenditure has continued to rise despite a slackening in public investment in certain years. The over-all budget deficit in any particular year, however, is more the result of changes in economic activity than a cause, in so far as revenue variations are to a large extent the result of fluctuations in imports. Gross fixed capital formation by the public and private sector has failed to reach the 1967/68 level again until this year. The other important factor in determining the level of activity in the largely unrecorded border trade. The re-export of groundnuts benefits the economy to the extent that Government receives a sales tax and unit marketing costs are lower. Similarly the re-export of consumer goods imported through Bathurst results in additional revenue, a more economic functioning of the Port, and additional income and employment in the Distribution sector.

30. In 1964/65 Gross Domestic Product (GDP) at current factor costs rose substantially as the quantity of groundnuts purchased and the value of imports both began to rise. This improvement was confirmed in the following year (1965/66), as has already been recorded, with GDP rising by 15% to £13.1 million. That this was largely the result of increased groundnut exports is reflected in the fact that Agriculture's contribution to GDP rose by 20% to £7.9 million thus increasing the share of Agriculture in GDP to over 60%.

31. This basic improvement has been consolidated since then with the average growth in GDP estimated to be about 5% although figures for this year (1970/71) are only tentative. Despite the low world market price for groundnuts in 1967/68, a good crop and active trading resulted in GDP rising by 2%. The following year proved to be one of very high economic activity with imports rising by 24% to £9.3 million and the net output of the Agricultural sector rising by 7% to £8.9 million. There is no doubt that there was very large stockpiling of imported goods during 1968/69 but, nevertheless, it is evident that the level of domestic demand was high despite a fall in gross fixed capital formation and the re-export trade was very active indeed. The contribution to GDP of the Distribution sector rose by 25% to £2.7 million, and GDP itself rose by nearly 10% to £15.1 million.

32. The fiscal year 1969/70 was generally considered to be disappointing but one must not lose sight of the fact that GDP rose above the level of the previous year. Higher world market and producer prices compensated for the lower groundnut crop and private consumption expenditure rose, more than off-setting the fall in public consumption expenditure. The fall in the level of gross fixed capital formation was however a depressing factor. Stock levels were also reduced and imports fell back to their 1966/67 level. The level of unrecorded re-exports is thought to have fallen to below its normal level.

33. Despite 1969/70 being a quiet year with GDP growing by only just over 1% there is already evidence of a strong recovery based essentially on a higher level of domestic demand. Both public and private investment has recovered according to preliminary estimates, and the higher producer price (£34 per ton) combined with a satisfactory crop has ensured a higher level of consumption expenditure. As a consequence the level of imports in 1970/71 is estimated to have increased considerably, although the poor subsistence food crops last year will have changed the composition of cash purchases. Despite heavy stockpiling after last year's depletion of stocks imports are not expected to reach the 1968/69 level. This reflects the fact that the present recovery appears to be based on less speculative factors and that border trade activity is relatively stable at the present time. During 1970/71 GDP is estimated to have risen considerably and the main components of domestic demand should be such during the coming three years to ensure a continued growth. Although it is an aim of the Third Development Programme to increase the share of resources devoted to gross fixed capital formation domestic consumption demand is expected to remain high.

34. In terms of per capita incomes, an imperfect indicator of the level of economic welfare of the population, there has been considerable progress in recent years. The estimate for 1964/65 was £32 per head rising to £39 per head in 1965/66. Since then it has increased more slowly but by 1968/69 it was £42 per head. After approximately maintaining its position in 1969/70 it is estimated to be over £45 per head in 1970/71, although this is largely due to the unprecedented rise in the market price of groundnuts. The increase in the general price level, largely the result of world inflation, has only partially eroded these gains.

CHAPTER II: REVIEW OF DEVELOPMENT PROGRAMME

1967/68—1970/71.

35. 1. The 1967 Sessional Paper outlining the Second Development Programme 1967/68—1970/71 envisaged a public capital expenditure programme of £5.0 million over four years. However, as provision of £1.0 million for external communication projects was very tentative one should compare performance with a target programme of £4.0 million. The Programme began to shift the emphasis towards the agricultural sector, although expenditure on external communication projects and infrastructure in general was large. Agricultural policy was essentially that of raising groundnut yields balanced with an attempt to diversify production.

36. 2. During the course of the Programme sectors have been reviewed and adjustments made in the light of changing circumstances. As a result the Programme has been reduced to £3.7 million with estimated capital expenditure during the four years of £3.2 million. Hence the new Programme has to absorb the carry-over of £0.5 million and ensure that it is readily executed. Implementation during the first half of the Programme was particularly rapid owing to the major road programme which was undertaken by overseas contractors. As road construction declined so the total level of public investment fell as is indicated in Table 5. Excluding road works the rate of implementation of projects has been fairly constant and this applies particularly to the pace of construction work.

TABLE 5: DEVELOPMENT EXPENDITURE

1967/68—1970/71[1]

Year	£'000	D'0,000
1967/68	1,008	504
1968/69	880	440
1969/70	572	286
1970/71	756	378
Carry-Over[2]	514	257
Total	3,730	1,865

1. Excludes unclassified items in Development Estimates.

2. Excludes external communication projects featuring in the Third Development Programme.

37. Certain difficulties have been experienced which have prevented faster implementation of development projects. There is a shortage of skilled and professional manpower which can only partially be overcome by increased Technical Assistance, communications with the rest of the world are subject to delays, internal transportation has been hampered by lack of vehicles, and there have been some delays in obtaining finance for certain projects. Considerable efforts, however, are being made to eliminate these bottlenecks so that the rate of development expenditure is able to rise in future, and already the Revised Estimates for 1970/71 suggest an improvement.

38. Despite the obstacles, the achievements of the past four years have been considerable. The investment in agriculture has helped to ensure a continuing high level of groundnut purchases and the longer term benefits derived from extension work will be reaped in the coming years. Success with raising groundnut yields is difficult to assess-owing to the lack of agricultural statistics. No information is available on groundnut production or acreage and the unrecorded re-export element in the crop makes purchases by G.P.M.B. an unreliable guide to domestic production. The Mixed Farming Centres have continued the annual ox-ploughing courses and the extension service has been reaching more farmers. With regard to diversification one can be more positive. The modest cotton trials in Upper River Division have proved successful, fruit and vegetable products are being exported in small quantities and horticulture has been stimulated particularly in the peri-urban areas. The Taiwan Mission has now established nearly 2,000 acres of irrigated rice with the result that last year 1,100 tons of paddy rice was purchased. There is now, therefore, an established rice cash crop that is reaching Bathurst that will stem the rising volume of rice imports and eventually result in self-sufficiency. Yields from irrigated rice using modern techniques and inputs are estimated to be over threefold that which can be obtained by traditional swamp rice cultivation.

39. Very much associated with agricultural development has been the large investment in main roads on each bank of the river. Easier internal communications will also have a beneficial effect on future project implementation. Other infrastructure investment has resulted in significant increases in electricity generation and water supplies, facilitating commercial activity particularly in the urban area as well as raising the level of domestic services. Combined with Government policy of offering incentives to potential investors this has had the effect of encouraging growth in both manufacturing and tourism. The latter is the more obvious development and in terms of tourist days the industry has doubled each year since 1966. Reference is made in Chapter IV to present indications of the development of the industry. With regard to manufacture, limes are now being processed for export after Government initiated a limes project. Many main developers have enjoyed concessions under the Development Act. It is to be regretted that the distillery which started failed to establish itself as a viable enterprise. The largest investment currently taking place is in fish processing with a view to large scale exports to international markets. Employment opportunities in fishing and in the processing plants will be considerable. Government is currently in contact with other potential investors which would strengthen the manufacturing sector.

40. In the field of social services there has been substantial progress in extending and improving the existing facilities. In particular a substantial building programme has been pursued to allow school enrolment to increase and to provide a better quality of education. (See Chapter V.) Two large health projects connected with the Royal Victoria Hospital are still in progress.

41. The level of capital expenditure realised by Government has assisted in maintaining a generally high level of economic activity during the period. The infrastructure investment has provided a framework for private sector investment and the recent increase in the latter is indicative of this. Developments within particular sectors, are outlined in Chapter IV and a general assessment of the economy over the last few years is contained in Chapter I.

CHAPTER III: SUMMARY OF THIRD DEVELOPMENT PROGRAMME

INTRODUCTION.

42. The Third Development Programme is to cover a period of three years (1971/72–1973/74) and is to be subject to continual annual review to ensure that the programme remains consistent with current circumstances. It will also serve to emphasise that planning is a continuous process. It is a subject of regret that it has not yet been possible to make the transition from a public capital expenditure programme to a national plan. It has not proved possible to sufficiently strengthen Government's economic and statistical services to allow this. Progress has, however, been made in that the expenditure programme is the product of a more carefully defined policy framework within which Government has been able to define priorities, and through which it will be able to influence and promote economic activity and social welfare. The capital expenditure programme for the period amounts to D 21 million and consists of projects that have been appraised and adopted by Government as those that will most contribute towards raising the level of economic and social welfare within the country.

43. In many respects this Development Period will be crucial to the future progress of the economy. The end of this Programme should see a shift away from heavy investment in the infrastructure of agricultural extension services and into the utilisation of these services in agricultural undertakings such as the Rice Development Project. The next three years will also be a time of extensive research into natural resource availability and the direction will be set for the future development of other non-agricultural sectors such as tourism. Finally, should the U.K. gain entry into the European Economic Community we shall have to take an important decision with regard to our own future trading relationships.

44. It is well known that the structure of the economy is such that Agriculture occupies the efforts of about 85% of the population and contributes over 50% of the gross Domestic Product. These basic facts are sufficient to indicate that the living standards of the population can only be raised significantly by an expansion of agricultural output. Disregarding short-term fluctuations and given the average population density, growth in incomes depends basically upon raising yields per acre.

45. Raising yields per acre involves the widespread application of modern techniques and continual research at a local level. Hence the basic objective of this development period and in the future must be to reach the farmer and educate him in the use of these techniques. The basic instrument with which to achieve the above is a strengthened and efficient extension service backed by a strong team of agricultural specialists. However, both education and health services have an important role to play in making the rural population more receptive to new ideas and enabling people to put them to the fullest use. Similarly, marketing is fundamental to success and this involves not only efficient marketing organisation but adequate infrastructure within which to operate.

46. Diversification of agricultural output is also a basic objective complementary to intensification of production methods. Over the next three years this will find expression inter alia, in an expansion of the rice project in MacCarthy Island Division.

47. Growth in the urban population of Bathurst/Kanifingisabout 3.4% per annum and it is the aim of Government to check the urban drift by making rural life more attractive, while at the same time stimulating employment in the urban area. Government views the solution to urban unemployment as of extremely high priority and it will be carefully examining ways of re-inforcing its present efforts.

48. Significant developments are taking place in the non-agricultural sectors and it is necessary for Government as part of its policy of general diversification of the economy to encourage development in these sectors. Hence several major infrastructure projects are envisaged as well as a basic re-organisation of public utilities.

Size of Investment Programme

49. An investment programme worth D21 million has been formulated to cover a three year period. The size of the programme is essentially determined by Government's ability to identify worthwhile projects, its capacity to implement them during the period, the implications for the rest of the economy, and the availability of finance. It is not thought that the latter is a serious constraint at the present time so long as worthwhile projects can be identified and adequately planned. This task is, of course, an essential internal planning procedure since without it Government is unable to determine a rational investment programme from which the country will yield the maximum benefit.

50. An adequate level of public investment is essential to maintain the level of economic activity and employment. The higher level of public investment proposed during this programme will further stimulate economic activity and employment but is not such as to induce significant inflationary pressures on the internal price level. Although the recorded trade balance will move into a larger deficit as investment rises this will be mostly covered by a larger inflow on the capital account. Only in so far Government uses deficit financing will the overall balance of payments suffer, and the foreign exchange reserves be reduced. The use of Government reserves to finance projects will be carefully limited particularly in view of the prevailing recurrent budget situation. The Recurrent Budget implications of the investment programme are also a constraining factor of considerable importance.

51. The tightest constraint however is in the formulation and physical implementation of projects. With regard to the former planning procedures are already being strengthened. Implementation of projects is however hampered by several factors which will require special attention by Government. Apart from the general professional and skilled manpower shortage the capacity to implement construction work is particularly limited. For this reason building and civil work has been limited to D11.5 million. Steps are already being taken to raise implementation rates and the above figure which itself represents a large increase over performance during the last programme is an ambitious target. Should the increase in the rate of implementation exceed expectations additional projects can be included in the Programme.

Summary of Capital Expenditure

52. Of the total capital expenditure envisaged during the Programme, D2.5 million is being carried over from the previous programme, leaving new projects valued at D18.5 million. A summary breakdown of public investment by sector is given below in Table I and reflects a continuing shift of emphasis towards the Agricultural sector while maintaining a high level of infrastructure investment and improving the quality of the social services. The proportion of capital expenditure devoted to agriculture has risen from just over 12% during the last Programme to 22% for the current Programme. However, sectors are heavily inter-dependent and what is important is where the investment has its impact. Furthermore the capital budget is only one aspect of the overall development effort, for example, the extension service is financed from the recurrent budget.

TABLE 6 CAPITAL EXPENDITURE BY SECTOR

Sector	*D* 0,000	*Sector*	*D* 0,000
Agriculture	443	Post and Telecommunications	113
Manufacture/Construction	70	Radio Gambia	2
Public Utilities	157	Government Administration	103
		Education	131
Roads	61	Health	97
Port/River Communications	662	Other Services	28
Airport	223	Unallocated	12
		Total	2,100

53. Much of the D4.4 million proposed for investment in Agriculture represents a strengthening of the extension service in the widest sense of the term although capital provision for expanding the agricultural staff training facilities is made under the Education sector. In addition, the proposed Commercial and Development Bank is expected to create an Agricultural Credit Fund, credit from which would be co-ordinated with the extension effort. The capital cost of expanding the acreage of irrigated rice is expected to be considerable but the investment is expected to yield a large return.

54. The single largest sector in terms of investment is Port and River Communications, with D5 million being invested in the development of the Port to improve our trading communications with the outside world, upon which we depend heavily for our livelihood. Further investment in external communications is being made in the form of major improvements to Yundum Airport. Within the country, communications are also being improved in relation to rural development and marketing. The feeder road programme proposed has not been formulated in detail as yet and it may well be that additional funds will be required, particularly if road communications in the Kiang West area are to be improved.

55. Just as investment in training additional extension staff allows a more ambitious and effective agricultural programme so investment in construction plant and vehicles, and stockholding facilities allows for a faster rate of implementation of projects involving construction work. It is for this reason that D0.7 million is being spend in this way and, in addition, Government is investigating the means to finance a larger stockholding to reduce costly delays in construction work.

56. It will be noted that expenditure on public buildings has been minimised. A new project of considerable priority however is the provision of accommodation for Technical Assistance personnel. Instead, the Service Sector concentrates on improving the social services with an investment of D2.2 million. The emphasis in Education is improving quality while in Health the chief aim at the present is to strengthen the service at its two focal points, Bathurst and Bansang.

57. Chapter V below provides a complete list of projects included in the Programme together with a brief comment on each, and more detailed schedules of investment by sector, nature of work and by year are given in Appendix.

Phasing of Capital Expenditure.

58. It will be noted that the total level of investment is planned to rise during each year of the Programme period. Nevertheless the planned rate of investment during the first year is very substantial and represents an ambitious target. It has been necessary to plan for the immediate implementation of certain priority projects while at the same time completing those projects that have been carried over from the previous Programme. It will be noted Table 7 that the level of construction work involved rises considerably after the first year, by which time our capacity to execute the work will have increased.

Table 7 : Investment By Nature of Work (D'0.000)

Year	*Type*	*Total*	*Construc-tion*	*Land Improve-ment*	*Plant & Equip-ment*	*Financial*
1971/72		644	390	10	289	46
1972/73		675	432	5	226	13
1973/74		769	421	5	324	19
Total		2,088	1,153	19	839	78

59. The phasing of investment by sector has been determined by the priority of the projects and the nature of the investment Table 8 below shows the planned phasing of investment by each major sector. As a large proportion of the agricultural programme involves construction work it has not been possible to invest more in the initial year. On the other hand the high level of investment in the service sector during the first year reflects the value of uncompleted projects in progress and the need to provide additional accommodation for the expanding Technical Assistance Programme. With regard to communications, investment will rise considerably when the two major external communication projects commence towards the end of the 1971/72, while investment in additional electricity generating capacity is to proceed immediately

Table 8: Sector Analysis of Investment Programme (D'0,000)

Sector	*Year* *Total*	1971/72	1972/73	1973/74
Agriculture	443	93	188	161
Construction Manufacture	70	46	14	10
Public Utilities	157	137	5	15
Communications	1,060	191	382	488
Services	359	177	87	95
Total	2,088	644	675	769

Sources of Finance.

60. As with the last programme most of the investment during the current Programme is to be financed by external aid funds provided on soft terms. Although final arrangements have not been made in every case financial arrangements are, in general, well advanced. The use of local funds will be carefully limited during the next three years.

61. During the last programme the U.K. was the main source of aid finance and made available D17.0 million (£3.4 million). Not all of this has been disbursed but it is virtually all committed to either projects in progress or the Yundum Airport Development Project. The U.K. will again be the largest source of soft loan finance for the present programme and successful negotiations recently took place with the U.K. Government. Broad agreement was reached for the provision of approximately D10 million (£2 million) during the next three years with the possibility of further funds if Government finds itself in a position to implement additional projects. The above sum will cover agreed projects valued D8.5 million (£1.7 million) and certain recurrent costs of operating agricultural development projects, leaving a margin for contingencies and certain projects on which discussion has been deferred for the present. In addition the U.K. is expected to disburse D2.9 million (£0.6 million under previous loan agreements.

62. A major step forward in diversifying sources of aid has been achieved with the participation of IDA, the soft loan branch of the World Bank Group, in the Port Development Project. IDA have already agreed to a loan of D4.4 million (D2.1 million) towards the cost of the project and it is expected that disbursements will start in the near future. The World Bank intends a continuing involvement in our development process and is actively engaged on identifying further projects. In particular, a detailed feasibility study of a Rice Development Project is now being finalised for World Bank appraisal and it is hoped to secure IDA funds for this within the next year.

63. It will be noted from Table 9 below that the planned use of local funds is limited to D 2.4 million. While reserves are strong at the present time the recurrent budget is not expected, on average, to produce a surplus over the next three years. No undue credit creation is intended that would damage the foreign exchange reserve position and generate inflationary pressures. A complete fiscal and monetary review is taking place and in the interim it would be imprudent to commit oneself to a substantial use of local funds. Indeed it is hoped that alternative means of finance might be obtained for some of the projects which have already been allocated local funds.

TABLE 9: EXPECTED SOURCES OF FINANCE.

Source	D'0,000	%
U.K.	1,133	54
I.D.A.	682	32
Local Funds	245	12
Net yet known	40	2
Total	2,100	100

CHAPTER IV: THIRD DEVELOPMENT PROGRAMME BY SECTOR

AGRICULTURE, FORESTRY AND FISHING.

INTRODUCTION:

64. At present, agricultural production in The Gambia is largely restricted to subsistence food crops and to groundnuts as the main cash crop. Because of the single rain period, the food and cash crops are largely in competition for labour at the same seasons. There are other relatively minor cash crops grown in specialised areas, mainly near the coast, such as fruit and vegetables. Large quantities of foodstuff are imported each year (see table I) and it is hoped that many of these will gradually be replaced by home-grown products.

65. The already large national herd of cattle and flocks of sheep and goats continue to increase at a rapid rate, although most of the national meat supplies are now provided from within The Gambia since the boundaries were closed in 1968 to the ingress of Senegalese and Mauretanian slaughter stock. The fishing industry is based on small scale indigenous fishermen using simple equipment. The immediate demand for fish is satisfied while increasing, if relatively small, quantities, are exported after drying or smoking.

66. As previously mentioned The Gambia has one of the highest human population densities of any country in Africa, estimated at 90 persons per square mile. The cattle density is also very high at 9 acres to the beast instead of the usually acceptable 15 acres. Both these populations are increasing, humans at 2 % annually and cattle at about 4 %. It is evident that in the foreseeable future, the present system of maintaining soil fertility by shifting cultivation will be impossible. If, therefore, agricultural output is to be increased and farmers are to receive a higher standard of living based on higher outputs of food crops and increasing exportable cash crops, the system of agriculture will require radical change.

67. Agriculture and fishing will inevitably remain the main forms of employment for a long time to come and this implies that production methods in the natural resources sector will require to be intensified if those engaged in it are to raise their incomes and living standards.

68. The problems involved in this concept are considerable, and their solution involves Government in four major functions:—

(*a*) provision of adequate staff, both in quantity and quality, to advise, assist and supervise producers.

(*b*) provision of credit facilities to enable producers to purchase the inputs essential to intensified production until they are able, through their own savings, to afford to provide them from their own resources;

(*c*) establishment of efficient marketing systems through which all types of produce can be disposed of both in the home and export markets, attended by quality control measures;

(*d*) investigation of the application of new techniques to varying local conditions and circumstances, including their socio-economic consequences.

TABLE 10—IMPORT OF SELECTED FOODSTUFFS INTO THE GAMBIA FROM 1965/66

	1965/66		1966/67		1967/68		1968/69		1969/70	
Foodstuff	cwt.	£	cwt.	£	cwt.	£	cwt.	£	cwt.	£
Meat: Fresh, chilled or frozen ..	319	6,152	320	6,495	305	6,023	328	8,904	729	9,887
Eggs.	—	663	—	1,419	—	1,319	—	1,562	—	2,165
Fish: chilled or frozen	27	354	182	377	51	379	11	303	15	366
salted, dried or smoked ..	216	684	24	586	18	229	8	284	42	860
Vegetables: Pulses and Legumes ..	886	559	115	740	55	480	479	2,345	22	202
Onions	5,718	10,815	4,371	10,603	5,597	9,696	5,053	10,043	3,491	9,425
Tomatoes, Fresh	40	45	72	232	593	3,224	8	62	44	319
Other Vegetables ..	42	306	209	2,385	130	1,800	68	811	224	2,223
Sub-Total		[19,578		22,837		23,150		24,314		25,447
Rice:	150,480	297,773	69,364	364,268	196,324	475,670	246,174	513,093	279,880	690,394
Total Values ..		317,351	—	387,105	—	498,820	—	537,407	—	715,841

69. From the above framework a long term policy emerges of diversifying output while at the same time intensifying production methods. Intensification of production methods means that each individual or family will be able to produce more from the same area of land. It does not necessarily imply that more labour will be required but that with modern techniques and inputs the desired results may be achieved without more labour. For the producer the result is a higher return per acre than was previously achieved.

70. Intensification implies integration of the various forms of production, particularly of livestock and crops, into a unified whole. Only by this means will farmers be able to rationalise their activities and maintain soil fertility through the proper use of farmyard manure. It may also lead to some form of specialisation of production on a regional basis, especially when there is a wider choice of cash crop than there is now.

71. Intensification does not imply the encouragement of larger scale operations which will oust individual producers from their primary production activities except as hired labourers. The inherent dangers in such a policy in Gambian circumstances of a foreseen land shortage would be considerable. Larger-scale operations, whether in agriculture or fishing, are only acceptable if they carry out some function which the average producer cannot achieve, or if they pass on to smaller producers new techniques which they can then adopt in small scale operations.

72. In an effort to broaden the base of the agricultural sector diversification of output will be encouraged by import-substitution and by diversifying exports. This will reduce the dependence of agriculture and the economy in general on a single export crop and its fluctuating world price.

73. *In Agriculture*, the long term policy *is to assist farmers* to intensify their agriculture *through* the use of good quality seed, fertilizers, farmyard manure, and insecticides and fungicides at the correct levels and periods. Appropriate equipment, animal-drawn or small-scale mechanical, will be designed or adapted to local conditions to assist producers to mechanise as many as possible of their crop production activities; intensification, rather than extension, of production should be the main purpose of using such equipment. By a proper combination of these methods, presented in the form of an overall package deal, producer yields can be raised considerably. Where new techniques are introduced for some particular crop producers will be assisted to adapt their routines to the new methods.

74. The additional pressure on the land from too many livestock must be relieved by encouraging increasing sales of animals, and particularly of those which are less productive, through the establishment of a proper marketing outlet. The value of those animals remaining will be raised by teaching improved methods of animal husbandry, thereby improving fertility and growth rates. Growing of special fodder crops and the conservation of grass, fodders, crop residues and by-products will be encouraged for use as animal foodstuffs.

75. *The Animal Health* situation will be improved through a better network over the country of veterinary personnel and measures will be intensified for the control and eradication of the more serious contagious animal diseases such as rinderpest and bovine pleuro-pneumonia. The spread of such diseases will be checked by the control of livestock movement through the country, particularly of slaughter stock.

76. *The Forest and Woodland* assets of the country will be built up and maintained through controlled utilisation and re-afforestation in order to ensure continuing supplies of wood, fuel and sawn timber for present and future needs. At the same time, woodland will be used as a means of soil stabilisation and soil moisture control wherever this is deemed necessary.

77. *The Fishing Industry* will be encouraged to develop both at sea and in inland fresh waters. Control of fishing will be necessary to avoid overfishing and depletion of natural stocks. While the long term future of the fishing industry depends on Gambian fishermen, a number of foreign fishing companies are presently being encouraged as a means of increasing the harvesting of marine fish, exploring export markets and training Gambian fishermen in new techniques.

78. *Marketing* of primary produce will be developed through the Co-operative Movement, quasi-state marketing bodies and private enterprise, according to the particular needs of each product or group of products. According to the circumstances, any or all of these types of marketing organisations may be involved not only in the normal internal buying and selling aspects of marketing, but also in production, export and credit functions. Quality control will be an important adjunct to marketing, as thereby the value of produce may be increased, especially in the export field.

79. *Credit Facilities* to enable producers to increase their productive operations will be essential and will be made available through the Co-operative Movement. As the producer becomes able to purchase his own inputs, fertilizer, seed, equipment and services, the proper form of financial assistance will be investigated with the object of helping producers to increase their net cash incomes with a view to their becoming creditworthy in the future.

80. Finally, it is Government policy to encourage commercial enterprises to play a role in the development of the agricultural sector. There are already a number of such firms undertaking various activities in agricultural production. For example, fruit and vegetables are produced by expatriate and Lebanese, and the private sector is participating in the production of groundnuts. It is hoped that considerable investment in agriculture will be forthcoming from the private sector and substantial export markets for such products established.

Agricultural Development Programme

81. There are currently three constraints to the development of agriculture in The Gambia, namely: Land, Water and Staff.

82. The pressure of human and cattle populations on the land will create a situation in which the main aspect of development will be the gradual intensification of production methods on existing land units. Pre-requisites are a comprehensive knowledge of the land and water resources available and some concept of the possible effects of changes on the traditional farm families. The Geological Survey of the Gambia River Basin has already begun and complementary to this a Land Resource Survey is to begin later this year. These surveys are major undertakings, the primary object of both being to provide basic factual information about natural resource availability which is a prerequisite for meaningful national planning.

83. The effects of changes on the farming pattern will be studied as schemes progress, but because of the special circumstances relating to livestock, a Livestock Development Centre is to be established to work out the problems connected with the intensification of animal husbandry and the closer integration of animal husbandry with the rest of farming.

84. The financial constraint on agricultural development is one of capital availability to farmers. An attempt to overcome this problem in a modest way, is to be made by the creation of an Agricultural Credit Fund from which loans may be made available for the purchase of farm inputs. The use of these funds must be [illegible] and investment of land is proper so that during the period of this Programme [illegible] only be made available in connection with the development of the [illegible] and horticulture as part of a "package deal" involving all aspects of production.

[illegible] The success of the agricultural development plan largely depends on the availability of [illegible]. An appreciable increase in staff numbers will be [illegible] in the Agricultural Department, this creates the problem of [illegible] to ensure the right quality of staff. Not only will more [illegible] be required, but also many more of the [illegible] which will persist for several years, it is [illegible] at the present Yuendumu Agricultural Training School so that staff [illegible] instead of the present three years, [illegible] rate of output than the present [illegible] Department of a new integrated [illegible] recommended by A.E.G. Markham in [illegible] would also give one year courses [illegible] courses to all agricultural staff. [illegible] made to increase the output of [illegible] more places at overseas colleges.

[illegible] expected to have an early impact on the economy, the [illegible] marketing scheme for livestock [illegible] also expected to encourage [illegible] trend of increasing numbers of [illegible] and export as carcase- [illegible] being established. The other [illegible] rice production in an attempt [illegible]

[illegible] of the work to increase the output and quality [illegible] the local approach to farmers: [illegible] new methods which are [illegible] and offering them a package-deal [illegible] fertilisers and intensive supervision, [illegible] per acre. Greater attention [illegible] especially with regard to the [illegible]

[illegible] can be grown economically in the eastern [illegible] will have to be found before any [illegible] will be marketing before there is [illegible] although expansion will await the [illegible]

89. A scheme to eradicate the serious cattle disease of Contagious Bovine Pleuro-Pneumonia is proposed and a wider network of properly equipped Veterinary Treatment Centres will help in the control of this and other animal diseases. The consequent reduction in animal disease hazards will pave the way for improvements in animal husbandry which are designed to increase the value of farm animals.

90. A further expansion of forest plantation is planned to ensure future supplies of timber for sawing and from which sawn building materials, packing crates and fencing can be made. It is proposed to resurvey and redemarcate woodland reserves while attempting to make responsible authorities more aware of their duties regarding the preservation of fuel and building pole reserves.

91. Local fishermen will continue to be encouraged to adopt new equipment and techniques so that they may take better advantage of offers to work in conjunction with the new expatriate fishing companies. Attention will be paid to indigenous marketing and exporting methods with a view to strengthening them. Assistance will be given to local fishermen to help them improve their fish drying and smoking methods. A survey of fish potentials and fishing conditions in Gambian waters is proposed.

92. The basis of a hide improvement service having been laid and an efficient unit within the Veterinary Department must now be set up to carry on the work of hide and skin improvement throughout the country. At the same time, a proper marketing organisation will have to be created to buy and export the hides and skins produced.

MINING.

93. The Gambia has few mineral resources but there are two areas which could form the basis of commercial operations. Ilmenite used to be mined near the coast in Western Division but deposits have not been exploited in recent years. Changing technology, however, has made the chemical composition of the ilmenite more favourable. Being favourably placed geographically it is hoped, subject to the results of metallurgical tests presently being carried out, that the deposits will be exploited in the near future.

94. The Kaolin deposits in Upper River Division have also been the subject of extensive investigation through UNDP technical assistance. Results to date are very encouraging, indicating its suitability for use in refractory products—although it is not thought to be suitable for fine-ceramics or paper manufacture. Should development proceed it would act as a considerable stimulus to economic and social development in the provinces.

95. It is now considered unlikely that commercially viable deposits of off-shore oil will be found.

96. While none of the above activities are likely to have any major impact during the next three years they represent possibilities for diversification in the near future.

MANUFACTURING.

97. Both absolutely and in relation to the rest of the economy the size of the manufacturing sector is small. Its contribution to Gross Domestic Product is still estimated to be less than 3%. On the other hand there has been a substantial increase over the last decade due largely to the establishment of the oil expressing industry.

98. Given the relatively small market in The Gambia largescale manufacturing industry can only be expected to development in the near future if it is export oriented. Fortunately the economy is such as to encourage such development in so far as it is geographically well placed and monetary management allows it to maintain a competitive position in world markets.

99. In accordance with the above it is intended to encourage agro-based industries which will increase the value-added of agricultural exports. Considerable progress is being made in this field and in particular significant investment is now being undertaken to facilitate the large scale processing and export of fish. There is also the likelihood that beef export will become established during the coming years requiring additional cold-store facilities.

100. The Government is particularly anxious to foster the small-scale enterprises and handicraft industries which already flourish particularly in the Bathurst area. Following an ILO report technical assistance from UNDP has been requested to formulate and implement a policy of positive assistance for these activities.

101. With the development and diversification of agriculture one can expect to see the growth of additional secondary industries such as cotton ginning and groundnut rice milling, the processing of fruit and vegetables, tanning, furniture manufacture, rural mechanical workshops, and the manufacture of simple farm implements. One may refer to a recent UNIDO Industrial Survey Mission Report for a comprehensive picture of the industrial sector and its potential.

102. Government is able to foster industrial development not only by use of the Development Act (1964) which provides for certain tax concessions to be granted but also by providing a regular and abundant supply of raw materials through its agricultural policy, by adequate provision of infra-structure, and by maintaining an economic environment favourable to the success of investment in these fields. However, a more positive policy is required in the future to promote the establishment of the type of industries referred to above. This could involve Government in a much more active co-ordinating role in bringing together local and foreign private capital and the necessary technical and managerial expertise.

CONSTRUCTION.

103. The main construction capacity of the country is in the public sector which is indicative of the important role Government plays in gross domestic capital formation. It is essential that over the Programme period the various constraints acting on the industry should be eased in order to facilitate project implementation and cope with the anticipated private sector demand. Adequate attention must be given to easing the manpower constraint and investment will have to be made in additional plant and equipment. Given the difficult and uncertain supply situation consideration must be given to using more working capital in a larger material stock holding.

PUBLIC UTILITIES.

104. The electricity and water services have been developed over many years within the Ministry of Works and Communications. It has now been decided that the time has come to establish these services under a single public utilities corporation. This is expected to have many advantages not least of which will be improved service

105. It is anticipated that vesting day for the corporation will be July 1st 1972. In the interim there is a considerable programme of work to be implemented, including comprehensive matering and determining a development programme for the services. Hence this document does not discuss the long term future of this sector but merely allows for necessary contingency planning to ensure that the services can meet increases in demand in the immediate future.

106. The demand for electricity and water in the Bathurst area and the provinces has increased steadily in recent years. Earlier reports on the two services have been accepted by Government and have been taken account of in establishing the Corporation. With regard to electricity the present installed capacity in Bathurst is 5678 KW, while in the provinces, with the completion of the present projects, it will be 1443 KW. In general there is considerable spare capacity in the provincial stations but the increasing demand for electricity in Bathurst will certainly result in additional capacity being required in the near future. The peak load in 1970 was 2520 KW and in 1971 it is expected to be 3100 KW in view of the large cold store facilities presently being erected and the development of tourism. A 10% growth rate over the next few years may be anticipated.

107. The immediate action required with regard to water supply is an investigation for new sources in the Bathurst Kanifing area and improvement in the reticulation system. This will be implemented possibly through Technical Assistance from the U.K. in the context of the proposed corporation.

COMMUNICATIONS

Roads

108. As a result of considerable investment over the last few years the country now has a good network of main roads. With the implementation of the major road programme in the 1967/71 plan period there is now a total of 180 miles of bituminous surfaced road and 325 miles of all weather gravel-paved road. The recurrent cost of maintaining these roads is considerable and the standard to which roads are upgraded in the future will be carefully appraised.

109. The main requirement now is to make selective improvements in the secondary feeder roads to improve rural communications in general and marketing facilities in particular. This programme will be drafted jointly by Government and Area Councils.

110. During the last development period the Area Councils spent £150,000 on capital account, over half of which was provision for roads, bridges and wharves. This level of expenditure was only maintained by a serious depletion of reserves which had been built up over many years. The present situation is such that this cannot be allowed to continue. The Area Councils make a contribution to Government revenue of £20,000 annually and receive from Government general grants worth £10,000. In addition, small development grants are available although they have not been utilised. Local taxes are now absorbed by recurrent expenditure, an additional burden on which has resulted from recent capital works.

111. During the 1971/74 period it is hoped to co-ordinate the efforts of the Area Councils and the Government's development policies and allow the Area Councils to continue an active role in providing local facilities. This applies particularly to capital projects such as feeder roads and wharves which will have an impact on the marketing of agricultural produce.

112. Government will therefore make available on a larger scale development grants for approved projects. This will involve several Departments of Government to ensure proper direction of capital expenditure. In addition to the existing community development work it is being arranged that a continuing supply of 'food for work' be made available through the World Food programme. Area councils will be responsible for distributing food in payment for work done. Thus one has a tripartite scheme involving W.F.P., Government, and Area Councils, each contributing to the cost of development projects. Such a policy should simulate Area Councils, with the quidance of Divisional Commissioners, to initiate projects at a local level.

113. The recent Senc-Gambian Transport Survey recommended the upgrading of the Brikama-Bignona Highway. For The Gambia this would involve an 8 mile stretch from Mandinaba to the border. There is of course little merit in unilateral action and it is hoped the project will be impleted in a regional basis. Meanwhile no specific provision of funds is proposed. The development of Tourism may result in additional road improvements in the coastal area of Western Division. However, requirements cannot be established until the results of the proposed Tourism Study are available.

BATHURST PORT.

114. The development of the Bathurst Port was the subject of a feasibility study subsequently appraised by the World Bank. As a result I.D.A. loan funds have been secured to the extent of $ 2·1 million (D4·4 million). The total cost of the project is D5 million and work is expected to commence early in 1972.

115. The Port handles less than 150,000 tons of cargo per annum, decorticated groundnuts being exported direct from Kaur. Nevertheless the investment is expected to earn a satisfactory rate of return using cautious estimates of future traffic. The main benefit of the project is in reducing the waiting time of ships calling at the port. This benefit will be passed on to the economy through reductions in the real level of freight rates charged by the shipping lines.

AIRPORT.

116. The present Yundum International Airport has a runway length of 7,300 ft. capable of allowing unrestricted movement of medium-haul aircraft. Upgrading to this level took place during the last programme period.

117. The long-term development of the Airport will undoubtedly require considerable investment. The immediate work proposed during the next three years will involve the building of a terminal building, the construction of aprons, and the building of a new control tower with provision for additional equipment. This will be partly financed by a U.K. loan but mostly from local funds. The total cost will be D2·0 million.

118. Meanwhile it is intended to undertake a careful study of future runway requirements particularly in the context of potential transit traffic and the development of the tourist industry. This study will establish the timing of further any investment in this field.

RIVER COMMUNICATIONS.

119. In conjunction with the feeder road programme there will be some improvements to wharves along the river.

120. The main traffic on the river are the boats carrying groundnuts down to Kaur (for decorticating and export) and Denton Bridge near Bathurst (for expressing). The river is also used to transport general goods to the provinces.

121. In addition the Government operates a boat (Lady Wright) between Bathurst and Basse which acts as a passenger and cargo boat. The maintenance costs of this boat are rising each year and the standard of service that it can offer is limited. It is therefore, proposed to replace the existing boat with a new one which would be able to offer an improved and faster service on the river.

Posts and Telecommunications.

122. The future of these services may well be within the Public Utilities Corporation although no decision has yet been taken and the timing of such a transition is undetermined. The major project in the programme will be to replace the existing radio telephone service which is now absolete with a new and improved system which will take due account of potential rural development over the next decade and beyond. Technical assistance from UK has been secured to study the system.

Radio Gambia

123. During the last Development Programme considerable investment was made in new studios and equipment. Transmission, however, continues on a low-powered short wave frequency which fails to give adequate coverage through the country. The establishment of a medium wave system to cover the entire country is presently being established. This reflects the important role Government feels a radio service should play in a country with a high illiteracy rate. As the implications of establishing the new system are not yet known no specific provision of funds has been made. Instead, the project will be formulated in the near future and included in an annual review.

GOVERNMENT ADMINISTRATION

124. The role of Government has changed considerably since Independence as it emerged from being an essentially administrative machine into being an instrument of development.

125. The large administrative overheads of Government in a small economy make it very difficult to achieve a surplus on the recurrent budget which can be utilised for investment. In an economy with a severe savings constraint, however, the generation of such a surplus should be a prime objective. As can be seen from Table IV page 4 the recurrent budget has, after adjustment for receipt prepayment of U.K. grants and transfers to the Development Fund, achieved a surplus on average since Independence.

126. The trend, however, at the present time is towards a deficit and during the Programme period a continuing deficit is expected. This will be the result of increases in recurrent expenditure associated with the Development Programme particularly with respect to Agriculture. It is, nevertheless, a fundamental aim of Government to achieve a regular and significant recurrent surplus as soon as possible so that a contribution can be made to development expenditure and we can comfortably meet our external debt repayment scheduled without endangering our reserve position. It is hoped to be able to undertake a longer-term study of public finance in the coming year and to embark on the necessary reforms in the near future. In this context it should be noted that a decision to establish a Public Utilities Corporation has already been taken. Meanwhile the growth in Recurrent expenditure will be carefully controlled and distributed to reflect established priorities.

EDUCATION

127. The main aim during the next Programme period will be the consolidation of the education system which has experienced considerable expansion in recent years. Total enrolment in 1961/62 was 9,600 pupils and by 1965/66 it was 16,000. This year enrolment has reached 22,600 pupils and action taken during the 1967/71 programme provides for a potential enrolment by 1975 of about 24,500 pupils.

Primary Schools.

128. The widely dispersed Primary Schools in the rural areas are to receive constant support and guidance from Field Officers stationed in the provinces. Professional In-service Training Courses are to be run at provincial centres during the vacations in addition to the Annual Teachers' Vocational Course held at Yundum and staffed by tutors from Oxfordshire. The supply of qualified primary school teachers will be facilitated by the proposal to re-build the present Teacher Training College.

129. At present the first year enrolment in primary schools is 3,000 representing about 25% of all 6-year old children. By 1980 the number of 6-year old children will have increased by at least 25%. It is Government's aim to continually raise the percentage of children going to school although universal primary education will take a long time to achieve. In view of the above, provision will be made over the next three years for the building of primary classroom blocks to provide permanent structures where primary schools have already been established.

130. Nutrition education, including the school feeding programme designed to provide children with a more complete and balanced diet, is to be expanded throughout the country.

Junior Secondary Schools

131. A network of 17 Junior Secondary Schools has now been established. By this year 3,200 pupils were enrolled although when each school has all four years established the potential enrolment is nearly 5,600. As a result 50% of primary school leavers are able to continue their education in secondary schools. Significant advances are envisaged at this level during the Third Development Programme period. These include:—

(i) Curriculum development: The syllabus is being comprehensively revised to make it more relevant to the pupils' own environment and fit him for his future life.

(ii) Integration of Education and Agriculture: There exists a body of teachers who have received both field experience in the various 'Agriculture Circles' of the Agriculture Department as well as training overseas in Agricultural Education. Additionally, a peripatetic Advisory Teacher is expected to work with teachers in charge of Gardening in rural schools, Young Farmers Clubs and other non-school going youths in the rural areas.

(iii) Increase in teaching of practical subjects generally: Through UNICEF assistance much equipment is already available in many of the schools and further progress is expected subject of course to the staff constraint.

(iv) Provision of new classrooms and workshops to improve the facilities in existing schools.

132. Thus it hoped that the concepts embodied in the UNESCO report (1965) concerning what were then pos.-primaries will be incorporated into the system. This will be done by a thorough re-orientation of the existing system and institutions rather than by establishing a new set of institutions which by themselves could effect only a small part of the school population.

Senior Secondary Schools.

133. At this level the emphasis will be on the improvement of the quality of education offered, mainly by improving the staffing position of these schools and possibly the establishment of an Inspectorate.

134. With regard to the capital work involved in improving facilities it is intended to rehouse St. Joseph's Senior Secondary School on a new site adjacent to St. Augustine's Senior Secondary School, and make selective improvements to existing facilities.

135. The present enrolment in Senior Secondary Schools is 1,500 pupils. Of these 190 are in their sixth year (i.e. Upper Fifth Form) and preparing for 'O' level examinations. The Sixth Form established at the Gambia High School has 33 pupils. The second stream at Armitage School is already producing additional school leavers and the second stream at St. Augustine's will shortly be doing the same. Hence, whereas the number of school leavers was 150 in 1969 it is likely to be 230 in 1972. An additional stream is not proposed during the current programme.

Yundum College.

136. The demand for people with higher educational qualifications and with professional and technical training will continue to exceed supply for a long time. The top of the educational pyramid needs strengthening but its should be achieved without undue expansion of the base. Hence measures to improve the quality of education are very relevant to the present situation.

137. The proposal to establish "The Yundum College" by a phased redevelopment of the present Yundum site reflects the priorities established for the education system in general. This phased development will begin with the provision of improved facilities for a Teacher Training Department while simultaneously developing the Agricultural Staff Training Department. Both the Teaching profession and agricultural extension staff are crucial to successful economic and social development.

138. At present the Teacher Training College has an annual output of about 40 graduates. The new facilities will not only allow standards of training to be raised considerably but there will also be an expansion of output. The number of primary school teachers is presently just over 600 although under 400 are qualified. It is not intended to follow the recommendation of a report by G.N. Ferns and introduce local training of non-graduate-secondary school teachers at this stage.

139. Similarly the Markham Report has recommended that the Agricultural Staff Training Department begin a two year course to train the middle grade extension worker. Steps to implement this will be taken immediately and the first intake will be in 1974.

Vocational Training.

140. Vocational Training is hampered by the lack of manpower planning as is the entire education system. It is hoped that this will soon be remedied. Meanwhile the Vocational Training Centre continues to train people in technical and clerical skills

While a general expansion of vocational training is to await a manpower study the mechanical engineering wing at Yapu is to be strengthened by provision of additional accommodation. The potential for up-grading existing skilled workers is to be investigated as this would considerably ease the present skill constraint.

HEALTH.

141. Peripheral development has been the basic policy of the Medical and Health Services for many years. As a result there has developed a pyramid of two hospitals (Bathurst and Basse), 13 Health Centres, 24 Dispensaries and 35 Sub-Dispensaries. The Health Centre is the basic unit for rural health services combining curative, preventive and health promotional services. Although shifts in population density necessitate changes, the basic net work has been established. However, there is still a serious staffing situation and general lack of facilities. In future the emphasis will be on tackling these problems, particularly in the rural areas.

142. At present this is finding expression in improving the facilities at the apex of the pyramid. Construction of the new Maternity Ward at the Royal Victoria Hospital in Bathurst is well advanced and work has already started on a new Children's Ward also in Bathurst. This work will continue during the coming year after which major improvements to Basse Hospital are proposed. This programme will, with additional staff, considerably strengthen the medical services available in the country.

TOURISM.

143. The Tourist Industry is still in its infancy having as few as 300 tourists visit the country in the 1969/70 winter season. This year 2,900 tourists spent an average of two weeks in the country and the number of hotel beds has risen to nearly 400.

144. Considerable investment is presently taking place in the provision of additional hotel facilities and for the next tourist season over 800 beds are expected to be available and the industry expects about 5,000 tourists.

145. The effect on Gross Domestic Product is small as yet but already the industry has provided additional employment in the Bathurst Kanifing area and encouraged small-scale handicraft industries. Further expansion of the industry of the order envisaged would undoubtedly result in a marked effect on the economy, as well as having serious social implications.

146. It is Government's policy to actively encourage the development of the tourist industry. At the same time it is Government's duty to ensure that development is properly guided so that its full benefits are realised but the economic and social costs are minimised. Government has already established a Tourist Office. It is essential, however, that a tourist strategy be developed in the very near future and to this end a comprehensive study will be undertaken including a physical planning exercise, within the next few months. The results of this study will set the pattern of development for the future and ensure that the necessary infrastructure and ancillary activities are available to facilitate that development.

FINANCIAL SECTOR.

147. The financial structure of the country has gained considerable strength from the establishment of the Central Bank of The Gambia on 1st March, 1971. It has replaced The Gambia Currency Board as the agency having the sole right of issuing notes and coin in the country. Apart from currency issue, the Bank has been entrusted with a wide range of powers and functions. The principal objects of the Bank are

(a) to regulate the issue, supply, availability, and international exchange of money

(b) to promote monetary stability and

(c) to promote a sound financial structure and credit and exchange conditions conducive to the orderly and balanced economic development of the country.

148. For regulating the monetary and credit conditions in the country, the Central Bank of The Gambia is empowered to change its rate of discount, conduct open market operations and change the cash reserve requirements which commercial banks may be asked to maintain with the central bank. Apart from these methods of quantitative credit control, the Bank is also empowered to prescribe for banks the permissible purposes, aggregate ceilings, maximum cash margin or security required in respect of their loans and investments.

149. To assist the economic development of the country, the newly established central bank would be able to provide finance both to Government and to the private sector (through financial institutions) but its accommodation would have to be limited to such amount as is compatible with the maintenance of monetary stability. In the course of time, the Bank is expected to take measures for the development of money and capital markets in the country. It will also act as adviser to the Government on financial matters, manage public debt and hold the external reserves of the country.

150. The financial system of the country is at present geared largely to meeting the short term credit requirements to the economy. There is need to develope avenues of longer term finance for fostering the agricultural and industrial development of the country. In this connection, the Government is considering the establishment of a national commercial and development bank. It is intended that the proposed bank should act simultaneously as a commercial bank, as an agricultural credit institution and as a development finance institution. A Development Fund will be created in the Bank to finance development projects. Major sources of funds for this purpose will be the Central Bank of The Gambia, the World Bank Group and other international lending agencies. The bank will also be authorised to borrow from the general public through sale of debentures or bonds and with Central Bank support it is hoped that a bond market could be created to provide a useful channel of investment of local surplus funds.

151. The Government will hold a majority of the shares in the new bank. Other major shareholders will be the Gambia Produce Marketing Board and the Co-operative Societies. Shares will also be sold to the public. This new bank is expected to take over the banking functions of the G.C.C.B.M.U.

CHAPTER V: INVESTMENT PROGRAMME BY PROJECT

Summary List of New Projects

	Capital Expenditure (1971/72—1973/74) (D)	*Expected(D) Finance Code*
AGRICULTURE		
1. Staff Training (See Yundum College, Education Sector)		
2. Livestock Development Centre	377,500	UK4 1/1
3. Livestock Marketing Scheme	295,500	UK4 1/2
4. Rice Development Project	1,760,000	IDA
5. Poultry Development	15,000	UK4/1/3
6. Animal Disease Control Mobile Unit	21,000	UK4 1/4
7. Veterinary Treatment Centres	120,000	UK4/1/5
8. Forestry Plantation Development	147,000	UK4 1/6
9. Co-operative Department Stations	125,000	UK4 1/7
10. Hide Improvement Service	6,000	UK4 1/8
11. Hide and Skin Expert Unit	42,500	UK4 1/9
12. Mixed Farming Centre Improvements	291,875	UK4/1/10
13. New Agricultural Circle Stations	180,000	UK4/1/11
14. Improvements to Existing Agricultural Stations	427,500	UK4 1/12
15. Cotton Spraying Equipment	21,000	UK4 1/13
16. Ox-drawn Tool frame Project	35,000	UK4 1/14
17. Tractor Ploughing Scheme	110,000	UK4 1/15
18. Village Seed Store Programme	50,000	UK4 1/16
19. Agricultural Department Transport	95,500	UK4 1/17
20. Revolving Loan Fund	95,000	UK4 1/18
Total	4,135,375	
MANUFACTURE AND CONSTRUCTION		
21. Main Store Reconstruction	125,000	UK4 2/1
22. Construction Plant	200,000	UK4 2/2
23. Construction Vehicles	290,000	UK4 2/3
24. Equity Swiss Cold Stores (Gambia) Ltd	50,000	LF
Total	625,000	
PUBLIC UTILITIES		
25. Sixth Generating Set, Bathurst	650,000	UK4 3/1
26. Improvement to Bathurst H.V. Distribution System	85,000	UK4 3/2
27. Bathurst Drainage and Sewage Scheme	150,000	UK4 3/3
Total	885,000	
COMMUNICATIONS		
A – Roads.		
28. Development Grants to Area Councils	350,000	UK4 4/1
29. Urban Development	100,000	LF
30. Kanifing Estate Development	100,000	LF
Sub-Total	550,000	

B—PORT/RIVER COMMUNICATION.		
31. Port Development Project	5,060,000	IDA
32. Replacement of Lady Wright	1,500,000	UK4/4/2
Sub-Total	6,560,000	
C—AIRPORT		
33. Yundum Airport Development Project	2,050,000	BL/UK3/LF
Sub-Total	2,050,000	
D—POSTS AND TELECOMMUNICATIONS.		
34. VHF Trunk System Reconstruction	1,000,000	UK4/4/3
35. Serrekunda Post Office	37,500	UK4/4/4
Sub-Total	1,037,500	
Total	10,197,500	
SERVICES		
A—GOVERNMENT ADMINISTRATION.		
36. Pool Quarters for Technical Assistance Personnel	240,000	UK4/5/1
37. Prison Improvements	140,000	UK4/5/2
38. New Court Houses	97,500	UK4/5/3
39. Senegambian Secretariat Extension ..	60,000	UK4/5/4
40. Police Radio Network	50,000	UK4/5/5
41. Police Barracks, Bakau	172,500	UK4/5/6
Sub-Total	760,000	
B—EDUCATION.		
42. Yundum College Re-development ..	500,000	UK4/5/7
43. Primary School Building Programme ..	100,000	UK4/5/8
44. Leman Street School Rebuilding ..	110,000	UK4/5/9
45. Junior Secondary School Building Programme	150,000	UK4/5/10
46. Re-housing of St. Joseph's Senior Secondary School	225,000	UK4/5/11
47. Vocational Training Centre Dormitory Block, Sapu	25,000	UK4/5/12
48. Education Quarters, Provinces	60,000	UK4/5/13
49. Gambia High School Improvements ..	25,000	T.A.
Sub-Total	1,195,000	
C—HEALTH.		
50. Bansang Hospital Development ..	322,500	UK4/5/14
51. Nyakoi Health Centre	34,500(2)	LF
Sub-Total	357,000	

D—Other Services

52. Equity: Commercial and Development Bank	155,000	LF
Sub-Total	155,000	
Total	2,434,500	
Grand Total of New Projects .. (3).	18,309,875	
Value of Carry Over Projects	2,570,275	BL/UK2/LF
Unallocated	119,850	
Total Programme	21,000,000	

(1). Expected finance code:

BL UK/The Gambia Development Loan 1967.

UK2 Trans-Gambia Ferry Loan.

UK3 Yundum Airport Development Loan.

UK4 UK/The Gambia Development Loan 1971.

IDA International Development Association.

LF Local Funds.

(2). Total cost of project is D234,500 with D200,000 carried over into 1974/75.

(3). See Development Estimates 1971/72 for Finance code in respect of individual projects in progress.

Summary Description Of Each Project.

Agriculture

1. *Staff Training.*

Provision for the training of extension staff locally (2 year course) is included in the Education sector since it has been agreed that an integrated college will be developed at Yundum comprising essentially of the Teacher Training Department and Agricultural Staff Training Department. The first full course will commence in 1974. It is hoped to secure an extension service strength of nearly 150 Agricultural Assistants by 1975.

2. *Livestock Development Centre* (D377,500)

A considerable amount of experimental work has already been done at Yundum. It is intended to continue the work in the main cattle-owning area of the country and start working with the producer to disseminate information on improved husbandry.

3. *Livestock Marketing Scheme* (D295,500)

The Tropical Products Institute report on Livestock Marketing is expected about July, 1971. The need to reduce the national herd has been established and the problem is one of buying and marketing in excess of local demand for meat. Tentative plans have been drawn up and costed although these may modified in the light of the above report.

4. *Rice Development Project* (D1760,000)

A feasibility report is due shortly and it is hoped that it will be appraised by the World Bank later in the year. On the basis of the appraisal study it is hoped to secure IDA loan finance to greatly expand the rate at which new land is opened up for irrigated rice cultivation. The Taiwan Mission will continue to be the basic field force supplemented by Gambian demonstrators.

On the basis of discussions with FAO a preliminary costing has been made. In addition to the estimated capital cost figure of D1.8 million during the programme period credit facilities for Farmers will be required totalling about D0.4 million.

5. *Poultry Development* (D15,000)

A poultry unit will be established at Abuko from which eggs will be hatched and young chickens distributed. Inter-mingling a larger exotic bird with indigeneous poultry will result in a larger-carcased bird.

6/7. *Animal Disease Control: Mobile Unit and Veterinary Treatment Centres* (D141,000)

To contain cattle disease it is proposed to establish a mobile unit to inoculate cattle, and build additional Veterinary Treatment Centres. This policy should be seen in the context of a developing cattle industry.

8. *Forestry* (D147,000)

It is proposed to establish an additional 600 acres of plantation in Kabujita Forest Park. Presently 1,700 acres of gemlina plantations have been established in the adjacent areas of N'Yambai and Bamba.

9. *Co-operative Department Stations* (D125,000)

The proposal is to complete Divisional coverage by he Co-operative Department. Apart from several quarters in the provinces a new stition at Basse is required.

10. *Hide Improvement Service* (D6,000)

It is intended to allow the service to operate more efectively by the purchase of additional Transport.

11. *Hides and Skins Export Unit* (D42,500)

The Unit is already a profitable concern and turnover is expanding substantially. To enable the Unit to cope with the increasing turnover and provide adequate facilities and extension to the present buildings is proposed.

12. *Mixed Farming Centre Improvement* (D251,875)

With increased emphasis on intensification of production methods the Mixed Farming Centres need to be fully equipped with suitable animal drawn equipment. The Centres also require modest improvements and additional housing.

13. *New Agricultural Circle Stations* (D160,000)

It is proposed to double the number of Agricultural Circles by building three new stations at Bureé, Kuruwaa and Kaur.

14. *Improvements to existing Agricultural Stations* (D427,500)

Provision is also made to improve and extend facilities at the existing three stations at Yundum, Jenoi and Sapu. In the case of Yundum additional Technical Assistance quarters will be required in particular.

15. *Cotton Spraying Equipment* (D21,000)

The equipment is required for crop protection work on the small cotton acreage already established.

16. *Ox-Drawn Tool Items Project* (D35,000)

The object of the project is twofold in that available equipment will be tested and adopted to conditions in the country and a pilot scheme for local manufacture of suitable equipment will be established. At present a U.N.I.D.O. report on the project is awaited.

17. *Tractor Ploughing Scheme* (D110,000)

Provision is made for additional equipment to help increase the effectiveness of the present machinery. However the scheme is presently subject to close review and it is not intended to invest additional funds in the scheme until this has been completed.

18. *Village Seed Stores* D50,000)

The Village Seed Store building programme has been slowed down for the present to give the Department an opportunity to examine some of problems that have arisen. The utilisation rate is only just over 50%. However, the above sum is allocated for resumption of the programme during the next three years.

19. *Agricultural Department Transport* (D55,500)

A modest provision for additional transport has been made to help increase the effectiveness of the Department. A large proportion is required to purchase vehicles for the new Circle Stations.

20. *Revolving Loan Fund* (D95,000)

The Fund will be expanded to provide additional credit facilities to assist the growth of the indigeneous fishing industry.

MANUFACTURE AND CONSTRUCTION.

21. *Main Store Reconstruction* (D125,000)

The main P.W.D. Stores is to be improved and additional capacity erected, thus enabling stores to be adequately protected and additional construction materials to be held in stock.

22/23. *Construction Plant and Vehicles* (D450,000)

The replacement of plant and vehicles has tended to be neglected owing to the recurrent budget situation. As a result P.W.D. requires additional capital equipment to embark on an expanded programme of work. Immediate purchase of crucial plant and vehicles is proposed and a satisfactory replacement programme established.

24. *Equity: Swiss Cold Stores (Gambia) Ltd.* (D50,000)

Government has decided to accept the company's offer to participate in a project to establish large fish processing facilities in Bathurst.

PUBLIC UTILITIES.

25. *Generating Set, Bathurst* (D650,000)

The existing capacity is adequate to meet demand until 1972 after which it is projected that additional capacity will be required. It is essential that an indent is placed within the next few months.

26. *H.T. Distribution System Improvement* (D85,000)

The electricity distribution system in Bathurst requires strengthening by a fundamental but relatively inexpensive improvement. A 33KV double circuit between Half-Die and Gambia High School is required urgently.

27. *Bathurst Drainage and Sewage Scheme* (D150,000)

A new drainage and sewage system needs to be designed and improvements made to raise health standards in Bathurst, particularly in connection with mosquito control. It is envisaged that the main element in this will be the reconstruction of Lasso Wharf Drain. Provision is therefore made for work to start on this during the programme period after the design work has been completed.

COMMUNICATIONS

A—ROADS.

28. *Development Grants to Area Councils* (D350,000)

In view of the financial situation of Area Councils and the need to encourage local involvement in development projects it is proposed to make development grants available to Area Councils for approved projects. The main purpose of this capital provision is to finance a feeder road programme in the Provinces in conjunction with the World Food Programme and Area Councils.

29. *Urban Development* (D100,000)

Miscellaneous schemes will need to be implemented over the next three years which Government may have to finance either directly or by a loan.

30. *Kanifing Estate Development* (D100,000)

It is proposed to open up a designated area for residential commercial plots and provide basic roads and services. The project will be designed in the context of the present review of property valuation and charges will be made commensurate with the capital cost involved.

B—Port/River Communications

31. *Port Development Project* (D5,000,000)

It is now expected that civil works will start early next year although equipment is presently being ordered. Present port congestion will be relieved and the operations of the port placed in the hands of a Port Authority.

32. *Replacement of Lady Wright* (D1,500,000)

The useful life of the vessel is almost finished and maintenance costs are rising. The service that can be offered is also rather limited. It is proposed to replace the boat with a new craft that can offer a much improved service.

C—Airport

33. *Yundum Airport Development* (D2,050,000)

The present provision provides inter alia for a new apron, equipment and terminal building.

D—Posts and Telecommunications.

34. *V.H.F. Trunk System* (D1,000,000)

This project is subject to a technical report presently being prepared. It may be possible to avoid this major expenditure for some years while at the same time improving the present service by a relatively modest capital outlay, but this has not yet been established.

35. *Post Office Serrekunda* (D37,500)

It is proposed to establish a post office at Serrekunda.

Services.

A—Government Administration.

36. *Pool Quarters for Technical Assistance Personnel* (D240,000)

In view of the increasing technical assistance programme it is essential that additional quarters are built to relieve the present bottleneck—otherwise one is forced to defer or cancel technical assistance requests. The above sum is for 8 quarters to be built at Mile 7. This provision will not by itself solve the problem but before any further sum is allocated it is necessary to review the entire quarters situation.

37. *Prison Improvements* (D140,000)

Additional cell blocks are proposed at Basse and a workshop and officers' quarters are required at Jeshwang.

38. *New Court Houses* (D97,500)

Three courts at Georgetown, Kerewan and Kanifing are to be established.

39. *Extension of Senegambian Secretariat* (D60,000)

Government has undertaken to provide offices for the Gambia River Basin Project. Although temporarily housed in the Military Flats alternative accommodation must be established.

40. *Police Radio Network* (D50,000)

A simple emergency service is required by the Police to enable each station to be linked by radio. Normal traffic would continue through the VHF Trunk system.

41. *Police Barracks Bakau* (D172,500)

Additional barracks will be required to provide accommodation for an expanded Field Force.

B—EDUCATION

42. *Yundum College* (D500,000)

It is proposed to initiate a phased re-development of an expanded Yundum site to allow for the establishment of an integrated Yundum College: the two basic Departments being those for teacher training and extension staff training. Considerable benefits are expected from this integration and new buildings will change conditions and morale at Yundum. The project is to be designed at an early date and a master-plan drawn up. The above sum is only to cover the next three years.

43. *Primary School Building Programme* (D100,000)

The Primary School Building Programme is to continue, to help raise the quality of primary school facilities.

44. *Leman Street School Rebuilding* (D110,000)

The existing building has been evacuated and temporary accommodation found by double sessions at another school. It is proposed to re-house the school in new buildings.

45. *Junior Secondary School Building Programme* (D150,000)

It is proposed to continue the programme of establishing each school as an independent unit with adequate facilities.

46. *Re-housing of St. Joseph's Senior Secondary School* (D225,000)

The present site is extremely over-crowded and education facilities are therefore inadequate. As part of the general policy of qualitative improvements it is proposed to re-house the Senior Secondary School next to St. Augustine's.

47. *Vocational Training Centre Sapu* (D25,000)

It is proposed to build a dormitory block for the students attending the Centre.

48. *Gambia High School Laboratory Improvements* (D25,000)

To strengthen science facilities additional equipment for the Laboratory will be purchased under U.K. Technical Assistance Programme.

49. *Education Quarters* (D60,000)

To enable Education Officers to become established in the provinces two senior service quarters are required.

C—HEALTH

50. *Bansang Hospital Development* (D122,900)

The priority now is to improve the facilities of the provincial hospital at Bansang which is the centre of the rural health service. It is proposed to build a Children's Ward and a new Operating Theatre.

51. *Nyakoi Health Centre* (D34,900)

An additional Centre is required in Upper River Division and this is to be established at Nyakoi. In view of the heavy building programme and health provision it is proposed that this project should follow after the Hospital development with further provision of D20,000 in the next development Programme.

D—OTHER

52. *Equity Commercial and Development Bank* (D119,000)

Government will own a majority of the equity of the new banking institution which is designed to provide additional credit facilities in the agricultural and non-agricultural sectors.

APPENDIX

Table I ECONOMIC FUNCTIONAL ANALYSIS OF INVESTMENT PROGRAMME (D'0,000) 1971/72—1973/74.

Sector	Construction work	Land Improvement	Plant/ Equipment	Financial	Total
Agriculture	192	19	223	10	443
Manufacture Construction	19	—	46	5	70
Public Utilities	52	—	105	—	157
Roads	26	—	—	35	61
Port/River Communications	390	—	272	—	662
Airport	159	—	65	—	223
Post Telecommunications	4	—	109	—	113
Radio Gambia	1	—	1	—	2
Government Administration	93	—	10	—	103
Education	129	—	3	—	131
Health	90	—	7	—	97
Other Services	—	—	—	28	28
Total	1,153	19	839	78	2,088

APPENDIX

Table II ECONOMIC FUNCTIONAL ANALYSIS OF INVESTMENT PROGRAMME (D'0,000) 1971/72.

Sector	Construction work	Land Improvement	Plant / Equipment	Financial	Total
Agriculture	49	10	32	3	93
Manufacture Construction	16	—	25	5	46
Public Utilities	37	—	100	—	137
Roads	6	—	—	10	16
Port River Communications	31	—	91	—	121
Airport	20	—	18	—	8
Posts & Telecommunication	—		14	—	14
Radio Gambia	1		1	—	2
Government Administration	70	—	5	—	75
Education	30	—	3	—	32
Health	41	—	1	—	42
Other Services	—	—	—	28	28
Total	300	10	289	46	644

APPENDIX

Table III ECONOMIC FUNCTIONAL ANALYSIS OF INVESTMENT PROGRAMME (D'000) 1972/73.

Sector	Construction work	Land Improvement	Plant/ Equipment	Financial	Total
Agriculture	79	5	102	3	188
Manufacture Construction	3	—	12	—	14
Public Utilities	—	—	5	—	5
Roads	10	—	—	10	20
Port River Communications	200	—	—	—	200
Airport	65	—	47	—	112
Posts & Telecommunication	—	—	50	—	50
Radio Gambia	—	—	—	—	—
Government Administration	15	—	5	—	20
Education	33	—	—	—	33
Health	28	—	6	—	34
Other Services	—	—	—	—	—
Total	432	5	226	13	675

Table IV ECONOMIC FUNCTIONAL ANALYSIS OF INVESTMENT PROGRAMME (D'000) 1973/74.

Sector	Construction work	Land Improvement	Plant Equipment	Financial	Total
Agriculture	65	5	87	4	161
Manufacture Construction	—	—	10	—	10
Public Utilities	15	—	—	—	15
Roads	10	—	—	15	25
Port River Communication	159	—	182	—	341
Airport	74	—	—	—	74
Posts & Telecommunication	—	—	45	—	49
Radio Gambia	—	—	—	—	—
Government Administration	8	—	—	—	8
Education	67	—	—	—	67
Health	21	—	—	—	21
Other Services	—	—	—	—	—
Total	421	5	324	19	769